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REF. 25X17

3 June 1948

MEMORANDUM FOR THE RECORD:

At 1645 hours, 2 June 1948, we received a copy of the attached paper, forwarded from the Executive Secretary of the Security Council as a result of an informal discussion between Mr. Forrestal, Mr. Lovett, and Mr. Allan Dulles. It was obvious that, following their failure to secure agreement to NSC 10, the Department of State and certain interested ex-OSS personnel were attempting to secure their purpose through another angle.

The Director is greatly concerned over the almost open attempts by certain parties to:

1. Destroy the current activities of CIA in the covert intelligence field.
2. Reestablish the OSS.
3. Take any steps to assure a civilian director of national covert intelligence in the foreign field.
4. Usurp the prerogatives of the Joint Chiefs of Staff with regard to Special Operations as opposed to Secret Intelligence.

At 0900 this date I called Major General Todd of the JCS and called his attention to the subject paper. After reading the paper he called me back, stating, "I agree that the proposal is not only impracticable but dangerous. I can't see why or how anyone could agree to such a step. Certainly it is in opposition to the interests of the JCS and I will discuss it immediately with General Gruenther (Director of the Joint Staff.)"

At 0945 I telephoned General Vandenberg and acquainted him with the situation for such action as he might desire.

At 1000 the Director arranged a meeting with Admiral Leahy to discuss the subject paper.

At 1030 General Todd called me again and said the matter had been discussed with General Gruenther who was of the opinion that the idea was so impracticable as to make it unnecessary to further brief either the Joint Chiefs or the service secretaries. General Todd also gave me the following information:

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1. The paper in question had been prepared by Mr. Robert Blum of Mr. Forrestal's office after a conference on 28 May 1948 between Mr. Forrestal, Mr. Lovett, and Mr. Allan Dulles. After its drafting, Mr. Blum brought the paper down to General Gruenther to look over. General Gruenther told Mr. Blum that such a plan was contrary to the interests of the JCS but Mr. Blum showed no concern over General Gruenther's remarks.

2. On 2 June 1948, General Gruenther called Admiral Souers (Executive Secretary of the Security Council) on the telephone and said, "Don't you think Hillenkoetter will be in strong opposition to this plan?" According to General Gruenther, Admiral Souers answered, "I don't believe so as I understand he has approved it."

I requested General Todd to tell General Gruenther that the subject paper was delivered to us late yesterday afternoon and that Admiral Hillenkoetter had neither seen nor heard of the paper prior to that time.

At 1215 the Director left to confer with Admiral Leahy. Upon his return to the office, he stated the results of that meeting generally as follows:

1. Admiral Leahy indicated concern at the intent of the paper and stated emphatically that the Joint Chiefs, who had not been given the opportunity to consider it, would definitely oppose it.

2. Admiral Leahy was going to brief the President on the paper and its obvious intent.

The Director departed at 1415 to attend the Security Council meeting scheduled for 1430. On his return he stated the results of the meeting generally as follows:

1. The only positive argument for the approval of the proposed plan was provided by Mr. Lovett, Under Secretary of State.

2. The plan was positively opposed by Mr. Hill (Chairman, National Security Resources Board), Mr. Royall, (Secretary of the Army), Mr. Whitney (representing the Secretary of the Air Force).

3. There was general agreement to the objection of Admiral Hillenkoetter.

4. It was determined to prepare a new paper for consideration along the following lines:

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- a. A new Office to be formed in CIA to handle special covert operations.
- b. The Chief of the new office to be selected from within or without CIA.
- c. The new Office to be under complete control of the Director of Central Intelligence.
- d. An Advisory Board to be formed to give the DCI policy guidance.



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Brigadier General, USA  
Deputy Director of Central Intelligence

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